

State of Michigan  
House tax Policy Committee  
Representative Jeff Farrington, Chairman

I am sending this testimony to extend my support to HB 5172 and HB 5173 in addressing a severe problem that is growing in nature due to the lack of legislative oversight and consumer protections.

In light of the recent recession which saw a large increase in property owners challenging their property assessments, local assessors have expanded their manipulation / interpretation of state law and the state assessors manual/handbook to put property owners at a significant disadvantage in obtaining fair and accurate property assessments. These tactics have been developed by local assessors to slow the millions of dollars in overpaid taxes owed to local property owners. Many assessors, including those in Clinton Township, where I reside, use the requirement "to make sure all properties are properly assessed" as cover to justify onerous and excessive efforts to inaccurately raise property assessments in excess of true market value. This practice has a similar effect to a tax hike but circumvents referendum, is a speedier process, and is not subject to public accountability. Local assessors are not elected and as such are not directly accountable to the community they serve. Additionally, there are practically no disciplinary, compensatory or punitive actions that assessors will suffer by abusing their positions to generate excessive sums of monies for governments. They know the deck is stacked in their favor and that even if the property owner overcomes the daunting hurdles to get the accurate assessment they deserve- next year is a different story and the assessments can be raised again without fear of accountability by the local assessor.

Local assessors are using loopholes in the law to circumvent Headlee/PropA. They frequently jump back-and-forth between State law and the Assessors handbook and use the form that best supports their case to inflate the property assessments as high as possible- knowing that the appeal process is very intimidating to most property owners.

In addition to these new unlawful inspection practices, they are also assigning ridiculously over-priced values to any items they find (or think may exist). These assessors know that there is very little a property owner can do to dispute the value assigned to a fixture since the "formulas" local assessors can use to assign those values are subject to unilateral manipulation by them and not limited by Headlee.

For example, I built my home in 2002. I submitted blue prints with floor plans, fixture layouts, electrical, and plumbing diagrams as required by local building officials. In 2013, two weeks after I received my notice of assessment, I received a revised notice with a significant increase. When I contacted my local assessing department, I was told that they discovered I had a jacuzzi tub in my home that was somehow overlooked when my home was initially assessed. They arbitrarily assessed the value of this tub thousands of dollars more than it cost to purchase brand new back in 2002- and that is before 11 years of depreciation. Additionally, they increased my taxable value (not just the SEV) by the full "value" they assigned to the tub. Since I went all the way to the State Tax tribunal last year, I knew how much work it was to prepare and did not want to go through it again this year. I ended up hiring a local firm, at my expense, to appear on my behalf and plead for fairness. I finally received some relief from the State Tax

tribunal again this year in December 2013. I am still waiting for the Clinton Township Treasurer to refund me what is owed to me. For a home owner to fight the increase on a single fixture, they will have to incur the time and monetary expense to justify their entire valuation. I ended up having to hire a local firm that fights improper assessments to get any justice.

This is the second consecutive year I have had to fight over-assessment of my property at the State Tax tribunal. I received received relief both years. What is to stop them from over-assessing again next year? Nothing, because the property owner has no recourse against an assessor for this type of mis-conduct that has any teeth. Hopefully this committee will act to prevent not only the initial transgressions but repetitions of the same due to a lack of recourse by their victims.

I can elaborate more on this as needed.

These bills are a great step in the right direction. I ask that you consider adding the following provisions to protect property owners from over-zealous assessors looking take advantage of this situation:

- Include specific language in the legislation that stipulates how any fixtures that are properly discovered are to be taxed. Can they be added to the taxable value for that tax year, despite the fact that the improvements may have been completed several years prior by a prior home owner and been overlooked? Or should they be added to the SEV, which would then trigger Headlee and limit the taxable value increase to 5%/yr or inflation?
- Include language that regulates the values that assessors can assign to items they find- example, don't allow them to assess \$5700 for an 11 year old jacuzzi tub that only cost \$3000 brand new.
- Require local assessors to notify property owners in writing of discrepancies they find in advance that will raise or lower their tax bill and itemize the monetary value assigned to each discrepancy. The property owner should be granted a 30 day period to address any errors made by the assessor before increases are applied to their property taxes.
- Include penalties, fines, or personal criminal action that property owners can take to protect themselves from over-zealous assessing departments who repeatedly over - assess the same property owner
- Require local assessors to look for and disclose removed items or items not present that will lower assessments and immediately lower assessments accordingly.
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I am happy to refine or expand on these ideas and assist in crafting language if called upon. I appreciate your consideration of these enhancements.

Please contact me at you convenience.

Sincerely,  
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